

## **ALLOCATION OPPORTUNITY NOTICE**

### **2022 ConnectMT Application**

#### **First Allocation Offering Season**

#### **Guide and Instructions**

**Estimated amount of Allocation \$266,000,000**

**Estimated Application period opens: February 7, 2022**

**Submission deadline: April 8, 2022 noon mountain time.**

#### **✓ Prepare your allocation application**

- Read this entire application document carefully
- Complete project analysis and gather all documentation
- Follow the format templates to complete the application
- Attach and label all application appendices correctly

#### **✓ Submit your allocation application**

- Submit the complete application package at any time during the open application period
- Applications that arrive after submission deadline will not be accepted
- Applications may only be submitted electronically through the online application portal at [ConnectMT.mt.gov](https://connectmt.mt.gov).

#### **✓ Confirm receipt of your application**

- Contact our office at 844-406-2772 to confirm each application package was received on or before submission deadline.

#### **✓ Any questions?**

- Contact our team at 1-844-406-2772 or submit questions through the Contact Us Tab at [connectmt.mt.gov](https://connectmt.mt.gov).

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## 1.0 ALLOCATION PROGRAM: GENERAL INFORMATION AND 2021 SPECIFICS

### Introduction

Montana is committed to fulfill the purpose of the American Rescue Plan Act's directive for the expansion of broadband Internet access to Montana's regions and locals that remain unserved or underserved. The Department of Administration (DOA) has established the ConnectMT ("Program") under the "*Connect Montana Act*", SB 297 to oversee the operation of the award allocations process.

### Funding Availability for 2022

As designated by the ARPA financial allocation to the State of Montana, the state will receive \$275 million to be allocated via competitive allocation awards to applicants who commit at a minimum 20% of the proposed projects funds cost and who also commit to deploying enhanced and improved internet communications in Montana. Such funding authority is pursuant to section 9901 of the American Rescue Plan Act of 2021, H.R. 1319, Public Law No.117-2; furthermore it is pursuant to Montana's 67<sup>th</sup> Legislature HB 632,<sup>1</sup> Implementing the American Rescue Plan Act (ARPA); also pursuant to Montana's 67<sup>th</sup> Legislature SB 297, signed May 11, 2021 establishing Broadband Infrastructure Deployment Laws and establishing the Montana Broadband Deployment Program, signed May 11, 2021, herein referred to as the "*Connect Montana Act*".<sup>2</sup>

On March 11, 2021, the American Rescue Plan Act (ARPA-21) was signed into law by the President.<sup>3</sup> Section 9901 of ARPA-21 amended Title VI of the Social Security Act<sup>4</sup> (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).<sup>5</sup> Under the U.S. Treasury's Interim Final Rule (IFR), 31 CFR Part 35, the Secretary of the Treasury (Treasury) issued its Interim Final Rule to implement the *Coronavirus State Fiscal Recovery Fund* and the *Coronavirus Local Fiscal Recovery Fund* established under the ARPA-21. In addition, on September 20, 2021, the U.S. Treasury issued its guide for Section 604 of ARPA-21.<sup>6</sup>

### Eligible Applicants

Eligible applicants for this program are considered to be incorporated business or partnership, a Montana nonprofit organization, limited liability company, incorporation, cooperative entity, organized for the purpose of expanding broadband access.

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<sup>1</sup> 67<sup>th</sup> Montana Legislature, House Bill 632, signed into law, May 11, 2021.

<sup>2</sup> 67<sup>th</sup> Montana Legislature, "Connect Montana Act", Senate Bill 297, signed into law, May 11, 2021.

<sup>3</sup> American Rescue Plan Act of 2021 (ARPA) § 9901, Pub. L. No. 117-2, codified at 42 U.S.C. § 802 et seq.

<sup>4</sup> 42 U.S.C. 801 et seq.

<sup>5</sup> §§ 602, 603 of the Act.

<sup>6</sup> "Guidance for the Coronavirus Capital Projects Fund For States, Territories & Freely Associated States U.S. Department of the Treasury." 9/20/2021, (Treasury § 604 Capital Projects Fund Guidance).

## Eligible Project Areas

Pursuant to SB 297, broadband development projects located in unserved or underserved areas are eligible. An **unserved area** is an area of Montana in which at least 10% of delivery points have no access to broadband service or have no access to services operating with a download speed of at least 25 megabits per second and upload speed of at least 10 megabits per second with low latency. An **underserved area** is an area of Montana in which households or businesses do receive service at or above the FCC threshold of 25 Mbps down and 3 Mbps up, have no access to broadband service offered with a download speed range of less than 100 megabits per second and an upload speed of 20 megabits per second or less with low latency. Montana's "frontier" areas are those areas where there is no or extremely limited terrestrial broadband service. [SB 297, Sec. 2 (6)] Frontier areas may be considered for services to the extent terrestrial service is economically viable. [S.B. 297, Sec. 7 (6)]<sup>7</sup>

## Eligible Program Costs

There is a maximum allocation of \$10 million per project, unless the Communications Advisory Commission waives this maximum allocation on a project by project basis. All projects, regardless of the amount of the allocation request will be reviewed.

The Program requires that no funds allocated under this section may be transferred or expended for any purpose other than to provide funding for projects authorized. [MT SB 297, Sec. 9 (d)]<sup>8</sup> Proposals submitted by eligible providers must not involve funds received by proposer from other federal or state government grant or loan program where government funding supports 100% of the proposed project's capital costs. [MT SB 297, Sec. 5 (1)]<sup>9</sup> Funds may not be used to support noncapital expenses, including general operations of an eligible provider, nonbroadband services, marketing, or advertising. [MT SB 297, Sec. 4 (1)]<sup>10</sup>

Eligible costs refer to the costs associated with the acquisition and installation of infrastructure in addition to and or including infrastructure related to implementation of the "middle mile" and/or the "last mile" infrastructure that can support broadband service scalable to speeds of at least 100 Mbps download and 100 Mbps upload.

Last mile<sup>11</sup> infrastructure is broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-user customer's on-premise telecommunications

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<sup>7</sup> 67<sup>th</sup> Montana Legislature, "Connect Montana Act", Senate Bill 297, signed into law, May 11, 2021. Pg. 6

<sup>8</sup> Connect Montana Act, pg. 7

<sup>9</sup> Connect Montana Act, pg. 3

<sup>10</sup> Connect Montana Act, pg. 3

<sup>11</sup> "Last mile" last mile consists of "Tier 3" Internet providers. These are the providers an individual is purchasing an Internet service from.

equipment. Last mile is provided by tier 3<sup>12</sup> providers. Middle mile infrastructure is broadband infrastructure that links a broadband service provider's core network infrastructure to last mile infrastructure.

Construction of broadband infrastructure shall account for and may include the following: project planning; obtaining construction permits; construction of facilities – including construction of both middle mile and last mile infrastructure; enhancing *internet exchange points* to avoid speed bottlenecks; equipment; and installation and testing of the broadband service.

*Internet exchange points* are noted as being the connection where Internet communications connections change. The exchange points allow communication to flow through service provider tiers and their competing service providers. Mbps speed bottlenecks at these exchange must be accounted for by proposals as the connection to move Internet traffic from one provider to another may anticipate lags. The Internet exchange point concerning the last mile is the connection to a tier 3 Internet provider.

The submitted proposal should be cognizant and make note of the point where potential loss of control of Internet connection may occur as broadband project is implemented. The proposal should note where and how the proposal addresses ways to avoid speed bottlenecks as Internet exchange points at the tier 3 ISP level can create. As such, the proposal should note the anticipated exchange point placement. The proposal should as well note necessary effective peering agreements to avoid congestion and slowing of mbps speeds.

#### Middle Mile Open Network Requirements.

o Interconnection: Recipients may allow interconnection to grant-funded facilities at any technically feasible point along the network (without exceeding current or reasonably anticipated capacity limitations). This includes, at a minimum, the physical interconnection of the recipient's facilities to a requesting party's facilities for the exchange of traffic. In addition, recipients may connect to the public Internet directly or indirectly and provide requesting parties with an ability to connect to the Internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory.

o Negotiate in Good Faith: Recipients shall negotiate in good faith with all requesting parties (i.e., public, private, nonprofit, or other parties) making a bona fide request for interconnection or wholesale services.

o Wholesale Broadband Services: The ConnectMT Program encourages recipients to offer wholesale broadband services at rates and terms that are reasonable and nondiscriminatory.

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<sup>12</sup> There are stages in cabling connections providing telecommunications spanning the globe. **Tier 1** providers are the providers connecting large Internet exchange points. These are the exchange points that span continents. **Tier 2** providers are those connecting continent spanning exchange points to local Internet service providers (ISP's). **Tier 3** Internet providers are the ISP's connecting to individual homes and office buildings. This is where the last mile lies. There is another area that concerns Internet speed and the final mile of Internet access. This is the exchange points that connect the 3 tiers of Internet providers. These exchange points also connect different Internet providers within the same tier.

**IMPORTANT NOTICE – Prevailing wage laws may apply to the proposed project:**

The Montana Minimum Wage Law applies to all workers in Montana. Employees covered by the Fair Labor Standards Act must be paid at least the federal minimum wage but in no case can they be paid less than the wage required by Montana law. The prevailing wage laws may require higher wages for the last mile portions of proposed broadband projects.

Prevailing wage is the minimum wage that employers must pay certain workers on construction projects where state funds are used in part to fund the utility construction. Prevailing wage requirements can be either county or region specific and must be correctly applied to all appropriate internal or contractor labor.

Applicants can get more information on how prevailing wage applies to certain middle mile broadband allocations from:

**Montana Department of Labor and Industry**  
**1805 Prospect Avenue**  
**Helena, Montana 59604**  
**Phone: 406-444-6543**  
**Fax: 406-444-4140**

**Matching Funds Requirement**

To obtain a broadband deployment allocation, the applicant must provide funding in the amount of at least 20% of the projected broadband expansion proposed project.<sup>13</sup> These funds must be in place and deposited in a federally or state regulated financial institution subject verification by DOA. The allocation applicant must provide documentation to validate the availability of matching funds and designated as “broadband matching funds” and is required as part of the application. Some examples of appropriate documentation include: a letter of credit, letter confirming funds from a financial institution, board resolution committing funding, or loan documentation. If the application will have additional financial partners contributing to the matching funds, the application must also identify the financial partner(s) and documentation of the amount and availability of each partner’s financial match. Priority consideration will be given to projects that have secured community partners who have contributed to the matching funds. The nonmatching component of funding is subject to appropriations from general fund revenue, from bonds issued by the department, or federal broadband stimulus funds or other federal funds appropriated by congress and allocated to the department for funding of broadband communications projects that may include ARPA-21 funds.<sup>14</sup> Additionally, the U.S. Treasury issued “Guidance” for Section 604 “Capital Projects Fund” within ARPA-21.<sup>15</sup>

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<sup>13</sup> Connect Montana Act, Section 5 (2) , pg. 3

<sup>14</sup> The U.S. Treasury codified Interim Rules for Sections 602 and 603 of the Section 9901 of the Social Security Act of ARPA-21. Federal Register / Vol. 86, No. 93 / Monday, May 17, 2021 / Rules and Regulations, 26756 – 26824, 31 CFR 35.

<sup>15</sup> Coronavirus Capital Projects Fund; ICR 202109-1505-003; OMB: 1505-0274(Federal Form Document) <https://omb.report/icr/202109-1505-003> - published 9/20/2021. *Guidance for the Coronavirus Capital Projects Fund For States, Territories & Freely Associated States U.S. Department of the Treasury*, pg. 3, published 9/20/2021. (Treasury § 604 Capital Projects Fund Guidance).

Eligible project expenses are those that are incurred starting with the 2022 allocation award contract execution date and ending at the conclusion of the allocation project, or allocation project contractual term. The state allocation funding period begins after the allocation application is received, evaluated, and officially approved with an award letter and executed contract.

### **Application Filing Window and Deadlines for 2022**

The Connect Montana Program is a competitive allocation award cycle commencing in 2022 with allocation offer opening on February 7, 2022.

**All applications must be received no later than April 8, 2022 at noon, mountain time.**

Completed applications and all required supporting documentation –must be received by the ConnectMT Program office at noon on April 8, 2022 to be eligible for consideration for funding.

Applications must be submitted electronically at [ConnectMT.mt.gov](https://ConnectMT.mt.gov).

Allocation award decisions are anticipated by June 30, 2022.

## **2.0 PREPARING AN AWARD APPLICATION**

### **Award Application Organizational Format**

- ❖ **Part I – Project Background**
- ❖ **Part II – Project Location**
- ❖ **Part III – Project Funding**
- ❖ **Part IV – Broadband Improvements**
- ❖ **Part V – Community Participation**
- ❖ **Part VI – Project Readiness**
- ❖ **Part VII – Project Sustainability**
- ❖ **Part VIII – Applicant Affidavit**

**In all application sections that follow, please provide concise and complete responses to all information requested. Accurate and comprehensive responses are required to receive the best possible application scoring, and the final application must provide necessary information to fully describe and document the broadband application proposal.**

## **Part I – Project Background Information**

### **1.1 Project Name:**

### **1.2 Applicant Organization Name:**

### **1.3 Applicant Organization’s Mailing Address:**

### **1.4 Trade Secrets or Confidential Information:**

### **1.5 Historial Financial Statements:**

**Financial statements shall include: balance sheets, income statements, and statements of cash flow, or equivalent forms based on the type of organization.**

**Provide 3 years of unqualified CPA compiled, reviewed, or audited historical financial statements or 2 years of unqualified CPA compiled, reviewed, or audited comparative historical financial statements.**

Demonstrate the overall financial viability of the Applicant by providing the 3 most recent years of unqualified CPA compiled, reviewed, or audited financial statements. The financial statements may be identified and filed as “Confidential Information” and must be appropriately marked as confidential when submitted. Any confidential information should be identified as a separate file.

Results from an independent audit may also be provided as supplemental detail, as well as the Applicant’s most recent year’s federal tax return. If provided these documents should also be submitted and marked as confidential.

Supplemental material that may be provided as documentation for this requirement include the following:

- An Applicant that has been designated as an ETC by the Montana Public Utilities Commission (MPUC) may submit the copy of the MPUC Order authorizing the ETC status
- An Applicant that is a borrower in good standing with the Rural Utilities Service (RUS) may submit documentation that supports that designation
- An Applicant that has a current Montana cable franchise agreement for the proposed communities in the project may submit a list of the communities covered by the franchise with the date of the franchise’s most recent agreement or renewal

### **1.6 Organizational Support Evidence:**



Demonstrate the overall organization strength of the Applicant to build, manage, and effectively operate the proposed broadband project, if approved.

Documentation should identify key officers and management personnel with corresponding brief resumes. Organizational structure charts may also be submitted. It is important to provide a detailed description of how organizational strength pertains to level of broadband service delivery and service maintenance.

### **1.7 Proof of Good Standing with Montana Secretary of State:**

### **1.8 Executive Summary, Applicant Letter of Intent, and Proof of Insurance**

#### **Executive Summary:**

Provide a brief summary of project

Provide a brief narrative of the geography and location of the project coverage, include the proposed broadband passings and speed improvements anticipated in the event of of project funding.

Provide a brief description of the deployment, implementation, and installation technology intended to be used and method to fulfill and complete intended project.

Provide a brief description of the applicant's prior involvement in broadband technology implementation and how the applicant (and/or partners) intends to manage and sustain the project.

#### **Applicant Letter of Intent:**

Opening Paragraph: Your summary statement. Answer the following: Who wants to do what? How much is being requested? Is this a portion of a larger project cost? Over what period of time is money being requested?

Statement of Need: The "why" of the project. (1–2 paragraphs)

Explain what issue you are addressing.

Explain why you have chosen to respond to this set of issues in the way that you have.

State briefly why this matters in the area in which you will be working.

Note who benefits. Make sure you can indicate the public good achieved and any activities that relate to the ConnectMT Scoring Chart incentives being requested with this project.

Project Activity: The "what" and "how" of the project. (The bulk of your letter)

Give an overview of the activities involved. Give details to the degree that space allows.

Indicate if there will be collaboration with other organizations and what their roles will be. Be specific about who does what.

Outcomes (1–2 paragraphs; before or after the Project Activity)

Demonstrate how and why your institution or your staff is best equipped to carry out this activity. Put any historic background about the institution here.

Budget (1–2 paragraphs) General description of the projects funding needs and total amount of request.

Closing (1 paragraph)

Signature.

**1.9 Proof of Insurance:**

1.9.a Provide proof of general liability insurance, and insurance that could be a bond form for the intended project that covers incidents of performance.

**1.10 Key Contacts:**

**Authorized Organization Official** – Provide Name, Title, Telephone Number, Email Address

This will be the official responsible for execution of the allocation contract if the project is awarded funding (may be different than the primary contact).

**Primary Contact** – *Provide Name, Title, Telephone Number, Email Address*

This will be the primary contact for negotiation and execution of the allocation contract if the project is awarded funding (may be different than the authorized organization official).

**Applicant's Financial Contact** -- *Provide Name, Title, Telephone Number, Email Address*

This will be the primary contact for any questions related to the applicant's financial documents throughout the duration of the allocation compliance period.

**Federal Employer Identification Number**

**State of Montana Vendor Number**

**Project Manager** – *Provide Name, Title, Telephone Number, Email Address*

This individual will be the primary contact for allocation administration details through the duration of the allocation if the project is awarded funding.

**Application Author** – *Provide Name, Title, Telephone Number, Email Address*

This individual will be the primary contact for any questions regarding the allocation application document and supporting documentation.

**Matching Fund Partners** – *Provide Name, Title, Telephone Number, Email Address*

These individuals will be the primary contact for any questions regarding the allocation application document and supporting documentation.

**Notarized Documentation of Application Review Upload**

**Funding Commitment provided by Each Partner**

**Montana Certified Professional Engineer** – *Provide Name, Title, Telephone Number, Email Address*

This individual will be the primary contact for any technical questions regarding the allocation application document and supporting documentation.

## **Part II – Project Location Information**

**2.1 Project Location:** Provide a General Location Description

**2.2 County(ies) Served by Project:** Identify the county that the proposed project covers. If multiple counties are included, please indicate.

**2.3 List Community(ies) Served by Project:** Specify incorporated communities that the proposed project area will cover.

**2.4 Map and Description of Project Area:**

Applicant should also include a map of the proposed project area and/or a complete list of addresses that will be served by the project. A map of a last mile project should include the service area boundaries and also include place names, boundaries, buildings, road/street names or other features that clearly identify the project coverage area. The application may also include a list of census blocks and road segments if a census block is over two square miles where the project will provide broadband. For middle mile projects, the map should indicate the location of the middle mile facilities that will be placed.

In addition to the PDF version of the map which must be provided in the application submittal, the map must additionally be provided in a .shp, .kmz, or .kml version on the portal.

The maps provided in response to this requirement are used for allocation applicant review and rating.

Another purpose of the map/address list is to for posting online for the allocation application challenge process. For more information on the challenge process, see the Frequently Asked Questions (FAQs) portion on our website at: **ConnectMT.mt.gov**. The FAQ website may be updated during the application process window.

## **Part III – Project Funding Information**

**3.1 Allocation Request Amount:**

How much allocation money from the ARPA funds provided to the State of Montana is being requested for this application?

**3.2 Allocation Request as a Percent of Total Project Cost:**

What percent of the total eligible project cost does the allocation funding request represent?

**Note:** Additional points apply for projects that leverage greater matching funds; i.e., greater than the minimum of 20% from Applicant which may include any funding partners so long as they are reported and disclosed within this application.

**3.3 Matching Funds Provided by Applicant:**

How much in total matching funds from the Applicant – including any funding partners, if applicable – is being proposed?

**3.4 Matching Funds as a Percent of Total Project Cost:**

What percentage of the total eligible project cost does the Applicant's matching funds represent?

### 3.5 Total Project Cost:

### 3.6 Matching Fund Commitment by Partner(s):

Describe the nature of the matching funds and the source (identify entity providing funds if there is a joint effort being pursued for the proposed project)

Describe the type of collateral for matching funds, i.e., loan, transferred asset, etc.

Please list in detail all confirmed matching fund commitments by each project funding partner.

Table should begin with Applicant funding commitment and followed by each funding partner commitment. Funding partners may include other public, private, non-profit, or philanthropic entities.

Example:

<b>Matching Funds Sources:</b>	<b>Funding \$ Commitment</b>	<b>Proof of Match Attached</b>
<i>Example:</i>		
<i>Applicant Name</i>	\$	Yes
<i>Funding Partner A</i>	\$	Yes
<i>Funding Partner B</i>	\$	Yes
<i>(continue as necessary)</i>		
<b>Total Matching Funds</b>	\$	

### 3.7 Validation of Availability of Matching Funds:

Documentation to validate the availability of matching funds is required as part of the allocation application. Examples of secured funds documentation includes a letter of credit, bank letter confirming available funds, board resolution committing funds, or loan documentation.

### 3.8 Secured Funds Documentation Upload:

The Applicant and all matching fund partners must provide notarized documentation stating each has reviewed the application, confirm their commitment to the project, and provide proof of the existence of matching and secured funds. Failure to do may result in disqualification.

### 3.9 Applicant Eligibility:

Identify the specific category of Applicant eligibility for this proposed project under Montana law from the statutory options below.

Eligible applicants for this program are authorized to do business in Montana and are organized under Montana Code Annotated 2019, Title 35. Corporations, Partnerships, and Associations, Chapter 14. Montana Business Corporations Act, in any of the following categories: : (1) an incorporated business

or partnership, (2) a political subdivision, (3) an Indian tribe, a (4) Montana nonprofit organization or (5) a Montana cooperative association or (6) a Montana limited liability corporation

Political subdivision noted above may include a county, city, town, school district, special district, or other political subdivision or public corporation.

## Part IV - Broadband Improvements: Unserved/Underserved Instructions

### 4.1 Total Number of Proposed Last Mile Connections:

Using the “Anticipated Improvements” table (see below), please provide the number of households, businesses, farms, and community anchor institutions that will be able to receive improved broadband services as a result of the proposed project.

Please identify the speeds currently available for each type of location, using the ranges provided on the table, and the improved speeds that will be offered if the project is awarded allocation funding. Improved speeds cannot include data cap limitations, nor latency above 300 milliseconds.

Use the following definitions to identify the number of locations by household, business, farm, and community anchor institution:

**Households**: includes all residential dwellings

**Businesses**: includes all business types; and – to the extent possible – home-based businesses and telecommuter use of broadband.

**Farms**: includes crop, dairy, other livestock farming or agricultural use operations.

**Community Institutions**: “Anchors” includes libraries, township halls, fire and police stations, city halls, county buildings, state facilities, public safety locations, hospitals, medical office buildings, rural health clinics, nursing homes, and educational institutions.

# of Passings	Speed Now:	Frontier = or Less than 4/1			Unserved > 4/1 < 25/10		Underserved >=25/10 < 100/20	
	Speed After Build:	25/10	100/20	100/100	100/20	100/100	100/20	100/100
Households								
Businesses								
Farms								
Anchors								
TOTAL								

### 4.2 Type of Broadband Construction:

**4.3 Names of All Other Broadband Service Providers in this Application Area:****4.4 Unserved and Underserved Documentation Upload:**

Provide evidence in the application to demonstrate that the proposed project is for an unserved or underserved area. [If separately attached, label as Appendix 2.2]

The location of the proposed project, as identified in Part 2, should be the result of reviewing areas eligible for the allocation and ensuring that the project is within geographic boundaries eligible for allocation funding. In this response, the Applicant should provide the evidence to demonstrate that the proposed project is in an unserved and/or underserved area.

Demonstrate this by overlaying your proposed project area onto the 2022 Allocation Eligibility Map on the **Connect Montana program website**.

Applicants may also submit clarifying supplemental data regarding the unserved and/or underserved nature of the proposed project location. Any supplemental data will be compared to the maps prepared by Montana's designated mapping entity, the Federal Communications Commission mapping source and any discrepancies that are identified will be resolved by the Montana Office of Broadband Expansion Program on a case-by-case basis.

As previously noted, existing broadband providers will, under Montana law, be able to challenge proposed service coverage areas being considered for state allocation funding immediately following the close of the allocation application window. Please see the website for more detailed information about the broadband allocation challenge process.

## **Part V – Community Participation**

**5.1 Provide Evidence of Community Support:**

Examples include letters endorsing the project and describing the need for broadband improvements from residents, businesses, public officials, etc.

## **Part VI – Project Readiness**

**6.1 Use of Funds:**

Recommended minimum budget categories for "Use of Funds" table above are as follows: [Applicant may add other budget categories as needed]

Construction – Labor – Last Mile

Construction – Labor – Middle Mile

Construction - Materials

Electronics

Customer Premise Installation – Labor

Customer Premise – Equipment

## Professional services and engineering

<b>Use of Funds</b>	<b>\$ Amount</b>	<b>Source of Fund</b>	<b>Date Funds Committed</b>
<b>Example:</b>			
<i>Fiber Construction/splicing</i>	<i>\$100,000</i>	<i>Applicant</i>	<i>9/1/2021</i>
<i>Fiber Construction/splicing</i>	<i>\$200,000</i>	<i>State</i>	<i>upon allocation award</i>
<i>Engineering</i>	<i>\$50,000</i>	<i>Applicant</i>	<i>9/1/2021</i>
<i>Engineering</i>	<i>\$50,000</i>	<i>State</i>	<i>upon allocation award</i>
<i>Customer Installations</i>	<i>\$100,000</i>	<i>Applicant</i>	<i>9/1/2021</i>
<i>Customer Installations</i>	<i>\$200,000</i>	<i>State</i>	<i>upon allocation award</i>
<i>(Add other entries below)</i>			
<b>Total</b>	<b>\$700,000</b>		

**6.2 List of Eligible Elements to be Purchased or Utilized:**

Total eligible project costs may include project planning; obtaining construction permits; construction of facilities – including construction of both “middle mile” and “last mile” infrastructure; electronics and equipment; and installation and testing of the broadband service.

**6.3 Ineligible Costs associated with project:**

If yes, identify and list all ineligible costs associated with the proposed project that may be incurred.

Ineligible expenses include:

Expense prior to award contract execution. The broadband allocation program cannot provide reimbursement for any expenses incurred prior to the date that the allocation contract is executed. Any such expenses may not be included as allocation eligible expenses.

Video or voice services

Advertising

General operations

Nonbroadband related liabilities of the applicant

Marketing activities

**6.4 Budgetary engineering designs, diagrams, and maps with stamp:**

Please provide all budgetary engineering designs, diagrams, and maps that demonstrate the viability of the proposed project with certification stamps.

Design documents must clearly document the Applicant’s comprehensive understanding of the project requirements. This information must be certified by a registered Professional Engineer.

## **6.5 Certification from Professional Engineer:**

### **6.6 Demonstrate scalability of design:**

Demonstrate that the installed broadband infrastructure is scalable to speeds of at least 100 Mbps download and 100 Mbps upload. This information must be certified by either the manufacturer of the equipment to be utilized, or by a registered Professional Engineer.

Explain the combination details of this project such as fiber-to-the-home/premise, cable or hybrid fiber coaxial, or fixed wireless last mile construction. If fixed wireless, is licensed or unlicensed spectrum being used?

Last mile infrastructure is broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-user customer's on-premise telecommunications equipment.

Middle mile infrastructure is broadband infrastructure that links a broadband service provider's core network infrastructure to last mile infrastructure.

If the proposed project is a middle mile broadband facilities project, or includes a middle mile facilities component, please describe why new construction is necessary.

Demonstrate how the proposed project will leverage existing broadband networks or be built in conjunction with other broadband infrastructure projects to expand service coverage for unserved or underserved regions of Montana.

### **6.7 Certification from manufacturer or Professional Engineer of equipment**

### **6.8 Project Construction Permits and Approvals:**

Have all required municipal/city/township/county/state approvals necessary for this project to begin construction from area planning commission/zoning authority/road authority/railroad crossing entity, etc. been identified and included in the project schedule?

Itemize the approvals that will be required prior to project construction with the corresponding entity that will provide approval, and a brief description of the process required to obtain approval. Include the permitting process as a step on the Project Schedule.

Have all state environmental review requirements necessary for this project to begin construction been identified, if applicable?

If yes, describe the process to obtain required approvals. If applicable, include this process in the Project Schedule.

Due to its location, will the proposed project potentially impact local/state/federal historic architectural or archeological resources?



If yes, describe the process to obtain required approvals. If applicable, include this process in the Project Schedule.

### **6.9 Lease Agreements and Narrative of Existing Infrastructure for proposed project:**

#### **6.10 Five year service commitment:**

Will the Applicant offer the broadband services for a minimum five year period?

Provide documentation that Applicant will offer the broadband service for a minimum of five years. Include estimated subscription take rates for the proposed project area.

#### **6.11 Proposed pricing structure of service for project area:**

Provide the proposed pricing structure [by associated download and upload speeds] for all broadband services to be offered in association with this project.

Demonstrate that speeds meet and exceed Montana law broadband speed requirements. If applicable, include a low-income pricing model. Include provisions that do not include data cap limitations for service and pricing.

Please also provide the proposed stand-alone pricing for unbundled internet-only service at 25 Mbps download and 10 Mbps upload, for 100 Mbps download and 20 Mbps upload [if applicable], and for 100 mps download and 100 mbps upload [if applicable].

Describe stand-alone pricing for all broadband speed levels applicable to the project, and demonstrate that speeds meet and exceed Montana law speed requirements.

Will any additional equipment be required – or any separately chargeable service installation elements apply – to activation or turn-up of individual customer locations?

If yes, describe any separately chargeable elements that may apply along with all associated charges, and identify as one-time or monthly.

#### **6.12 Proposed marketing plan:**

Describe what initiatives the Applicant will undertake to communicate its proposed marketing plan to its prospective broadband services customer base.

The marketing plan should include activities to communicate the award of the proposed allocation project, the timing and availability of constructed broadband service, and Applicant plans on how to optimize broadband subscription rates once service becomes available.

#### **6.13 Project Financial Plan:**

Provide the current number of full-time equivalent (FTE) jobs currently employed by the provider in the project area.

Provide the estimated number of full-time equivalent (FTE) jobs to be employed by the provider for 5 years following complete of construction.

Provide the project schedule.

Provide a financial plan for the proposed project, including a description of how the costs and anticipated revenue will result in the financial viability of the project over time. Describe why the proposed project would not be feasible without the award of the requested broadband allocation funds. Demonstrate the difference in proposed project payback years with and without the requested allocation funding.

Applicant should provide a spreadsheet summarizing its financial analysis for the proposed project, and also may provide a brief narrative summarizing its findings. The pro forma financial spreadsheet must be a minimum of a five year view, but Applicant may extend the analysis for additional years if that will provide a more comprehensive financial justification to reach sustainability.

Provide proforma financial statements for the construction period and up to 5 years of proforma financial statements to reach project sustainability.

Provide the proposed project schedule which must reflect all key planning, procurement, construction, installation, testing, and service activation milestones.

The Applicant may use the sample form below to detail the significant task categories for all broadband deployment milestones necessary to complete the proposed project in a comprehensive and timely manner. Each necessary milestone should be identified with an associated anticipated start date and completion date (month and year) for that milestone. The last task on the project schedule should reflect the date upon which the service to the last location will be turned up and the project will be complete.

Sample – Project Schedule

<b>Name of Applicant:</b>		
<b>Name of Project:</b>		
<b>Overall Timeline for Project:</b> (example)	<b>Start Date:</b> May 2021	<b>Complete:</b> June 2023
<b>Individual Milestones for Project:</b> Include all planning, procurement, construction, installation, testing and customer turn-up activities	<b>Est. Start Date</b> (month/year)	<b>Est. Complete Date</b> (month/year)
Activity A	month 2021	month 2021
Activity B	month 2021	month 2021
Activity C	month 2021	month 2021
[continue as needed to completion]		

#### 6.14 Other Funding Leverage:

Is the Applicant leveraging all funding sources that may apply to the proposed project area?

If the proposed project leverages existing broadband networks, or will be built in conjunction with other broadband infrastructure projects to expand service areas to include unserved or underserved regions of the state, please give specific examples identifying the other project and the associated leveraged funds. Include any prior awards for CAF II, ACAM, USDA/RUS loan or ReConnect funds, ARRA, E-rate, or any other federal, state, or local rural broadband funding. Include any current or proposed lease agreements for existing infrastructure that is being utilized for the proposed project area.

## Part VII – Project Sustainability

### 7.1 Technical Expertise Statement:

Provide a narrative statement detailing all the relevant technical expertise of the Applicant; and the Applicant's specific prior experience in providing broadband services in Montana (and in other states, if applicable).

## Part VIII – Applicant Affidavit

## 8.1 Applicant Affidavit

The primary Applicant must provide a signed, dated, and witnessed affidavit or resolution that shows official Applicant support for and approval of the application as well as a commitment to provide the Applicant's matching funding.

## SAMPLE – APPLICANT AFFIDAVIT

### RESOLUTION OF APPLICANT

BE IT RESOLVED that \_\_\_\_\_ act as the legal sponsor for project(s)  
(Applicant)  
contained in the Connect Montana Broadband Allocation Program to be submitted  
on \_\_\_\_\_

and that \_\_\_\_\_ is hereby authorized to apply to the Department of \_\_\_\_\_  
(Date)  
(Title of Authorized Official)  
Administration for funding of this project on behalf of \_\_\_\_\_.  
(Applicant)

BE IT FURTHER RESOLVED that \_\_\_\_\_ has the legal authority to  
(Applicant)  
apply for financial assistance, and the institutional, managerial, and financial capability to ensure  
adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that \_\_\_\_\_ has not violated any  
(Applicant)

Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

## **8.2 Partner Affidavit**

If the application includes a funding partner or partners, a separate affidavit or resolution is required for each public or private partner that has committed to provide funding for the project, and attach as Appendix 7.1.

A sample affidavit/resolution is provided for the Applicant's use as specified on the following page. Please note that the Applicant may choose to reformat the sample document, but must ensure that all the statements appear in the signed, final version.

**[END OF APPLICATION PACKAGE]**